



Finance Circular No. 22/ 1386
Dated __ April 2007 (__ Sawr, 1386)

Subject: Reporting on salary payables for end 1385

This finance circular instructs line ministries and provincial mustofiats to report on salary payables as of end-1385.

There is evidence suggesting that salaries to some government employees have not been paid in full amount before end-1385. The Ministry of Finance regards this situation unacceptable, given that there has been no shortage of funds to ensure salary payments in full amount.

The Ministry of Finance invites all line ministries and provincial mustofiats reporting for the amounts of salary payables incurred by the end of 1385 to allow making adequate steps for settling salary arrears incurred in the past.

1. Responsibility for reporting on salary payables

Heads of respective government units have general responsibility for ensuring that their employees are hired according to laws and rules, executing their assigned tasks and receiving adequate payment for their work. Accounting offices are responsible for calculating the payments to employees based on the attendance records submitted.

Provincial mustofiats shall enquire all accounting offices processing payments through the payment office (tadiyat) of the mustofiat regarding any outstanding salary payables and complete the form attached.

Line ministries shall enquire all accounting offices processing payments directly through the Treasury Department in Kabul regarding outstanding salary payables and complete the form attached.

The salary payables reports must be consistent with the accounting records in the reporting accounting units, ministries, and provincial mustofiats.

2. Assessing the amount of salary payables

Two cases should be considered to identify occasions of salary not paid: (i) the accounting office has prepared M41 payrolls for salaries earned in 1385, against which full payment has not been disbursed for salary distribution before end-1385, and (ii) payrolls have not been prepared by an accounting office before the time of preparing the requested report because attendance records have not been submitted or for any other reasons.

The accounting office shall evaluate for each organizational unit receiving salaries from the state budget separately the amount outstanding at the end of 1385 M41 payrolls prepared and not paid. Substantial number of government employees may not receive their salaries on time because of

insufficient allotment. Sometimes, cases of payrolls prepared and not paid by the end of year may be related to the staff being absent at the time of the salary distribution and their due payment deposited to the government expenditure account as part of the year closing operations. Such payments to eligible employees would be made in the beginning of the new fiscal year from the allotment for salary payments in the new year. The evaluation should cover separately the M41 payrolls outstanding from 1384 and earlier years, which should be entered into a separate column of the report from M41 payrolls earned in 1385. The salary payables for periods prior to beginning of 1385 would not be assessed if M41 payrolls have not been prepared and pre-audited by a controller of the Ministry of Finance.

The payables for M41 payrolls for the salary earned in 1385 and not prepared before the time this report is completed should be assessed in staff months multiplying the number of staff according to tashkeel with the number of months for which payrolls have not been prepared. The number of staff months not paid, for which M41 payrolls have not been prepared is entered separately into the last column of the table.

3. Entering data into the forms and submitting reports to the Treasury

The form should be completed according to the accounting rules and the requirements established in this circular based on the records kept in the accounting unit and reconciled with the respective ministry or provincial mustofiat. The entity preparing the report should summarize all units covered in the report in the bottom of the report.

Ministries and central agencies shall enquire all accounting units operating under these ministries, except those processing salary payments through provincial mustofiat to include complete salary and salary payables data into the form. The deputy minister for administration or another most senior official responsible for administration matters shall sign completed form.

Provincial mustofiat shall be responsible for completing the salary payables form for all units, which receive salary through the provincial mustofiat. The financial officer assigned by the MoF should assist the mustofiat completing the form aggregating the data on salary payables by line ministries and central agencies in the same structure as payroll reports prepared and submitted to the Treasury monthly. The mustofy shall sign completed form.

Duly completed survey shall be submitted to the Treasury Accounting and Reporting unit on or before 10 Jawza, 1386 (May 31, 2007). The Ministry of Finance will assume that there will be no requests for paying back salaries for the past years, if the report from ministries and provinces is not received in the Ministry of Finance by close of business on 10 Jawza, 1386. This report on salary payables is prepared in addition to the monthly payroll reports submitted to the Treasury and does not change the procedure and the requirements for providing the monthly payroll report.

The Ministry of Finance reserves the right to audit these statements and to impose penalties on officials misreporting outstanding salary payables.

Salutation

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